

## Article - Real Property

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§14–506.

(a) (1) Subject to paragraphs (2) and (3) of this subsection, an affordable housing land trust agreement may authorize the affordable housing land trust to repurchase any interest in the property covered and any improvements on it under conditions set forth in the agreement.

(2) The time period during which the affordable housing land trust may exercise the right to repurchase shall be set forth in the affordable housing land trust agreement and may not exceed 120 days from the date that the affordable housing land trust receives notice of an event that would give the affordable housing land trust the right to exercise the right to repurchase.

(3) The failure of an affordable housing land trust to exercise the right to repurchase does not prohibit the affordable housing land trust from exercising any other right established in the agreement, including the right to share in the proceeds of the first sale to a purchaser following the failure of the land trust to exercise its right to repurchase.

(b) (1) Except as provided in subsection (a)(3) of this section or in the affordable housing land trust agreement, the failure to exercise a right to repurchase extinguishes the right of the affordable housing land trust to exercise any reversionary interest in the future.

(2) A subsequent purchaser who acquires the specified interest in the property in an arms-length, third-party transaction for a fair market price after the affordable housing land trust has not exercised its right to repurchase receives title, free of any rights established in the affordable housing land trust agreement that would otherwise have been enforceable by the affordable housing land trust.

(3) (i) A seller who sells the specified interest in the property to a purchaser in an arms-length, third-party transaction for a fair market price after the affordable housing land trust has failed to exercise its right to repurchase shall execute a signed, notarized affidavit attesting to the fact of the seller's notification to the affordable housing land trust and the affordable housing land trust's failure to exercise its right to repurchase.

(ii) The affidavit shall be recorded with the deed transferring the specified interest in the property to the purchaser in accordance with § 14–505(f) of this subtitle.

(iii) Recordation of the affidavit under this paragraph provides a conclusive presumption of the fact that the affordable housing land trust failed to exercise its right to repurchase.

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